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REMARKS**I. INTRODUCTION**

Claims 1-15, 26-61, 63, 64 and 67-70 are pending in the present application. In view of the following remarks, it is respectfully submitted that all of the presently pending claims are allowable.

II. THE 35 U.S.C. § 103(a) REJECTIONS SHOULD BE WITHDRAWN

The Examiner has rejected claims 1-13, 29-61, 63, 64 and 68-70 under 35 U.S.C. § 103(a) as unpatentable over U.S. Patent 6,401,074 to Sleeper ("the Sleeper reference"). (See 6/26/06 Office Action, ¶ 4).

The Sleeper reference describes an augmented point of sale (POS) system that displays, during a retail transaction, promotional information to a customer selected on the basis of the context of the transaction. (See the Sleeper reference, Abstract). The augmented POS, or promotional retailing system (PRS), consists of a new generation POS system (PC 102, display monitor 104, cash drawer component 108, printing device 110) used at a check out counter 111, and further includes an auxiliary display device 602. (Id. at col. 6, lines 1-10). As described by the Sleeper reference, a retail transaction includes various events "E." (Id. at col. 6, lines 43-46). For example, an identification of a consumer using a membership card is an event. (Id. at col. 6, lines 50-58). Other examples of events include: an end to a scan input (step 408), display of a price (step 412), adding to a list of items (step 416) and deleting from the list of items (step 422). (Id. at col. 7, lines 11-14). For each designated event, the PRS may carry out the event and display promotional material, informational messages, discounts and specials on the auxiliary display device 602. (Id. at col. 7, lines 56-67).

Claim 1 recites a method for displaying advertisements ("ads") at a point-of-sale (POS) location comprising *"dividing a consumer transaction at a POS location into multiple time frames, a total duration of the time frames equaling a total duration of the transaction"* and *"determining an advertisement (ad) for display in one of the time frames"* and *"displaying the ad in the one of the time frames"* in combination with *"adjusting a duration of the ad based on whether the one of the time frames has ended."*

Initially, it should be noted that the events disclosed by the Sleeper reference are not analogous to the time frames of the present invention. According to the specification of the present invention, frames are divisions of a transaction. (See Specification, p. 19, line 28 - p. 20, line 5). The frames are either time- or activity-wise divisions of the transaction and a transition from one frame to the next may occur as a result of a user action. (*Id.* at p. 22, lines 4-16). Thus, the frames are not events, but rather specific portions of the transaction and refer to actual time periods with durations—fixed or otherwise. This is evidenced by the fact that two sequential frames may be separated by an interstitial frame, which is unused (i.e., no ads are displayed during the interstitial frame). (*Id.* at p. 25, lines 25-30). Here, the Applicants wish to clarify this distinguishment by noting that the frames necessarily coincide with conditions (e.g., a user action, a timer, etc.) that cause the frames to advance. These conditions comprise the transaction and thus, the progression of the transaction dictates that of the frames. However, it would be erroneous to conclude that the conditions are the same as the events described by the Sleeper reference. Unlike the events, the conditions may be used to enter into *and* exit from a frame. The Examiner contends that the length of the events dictate the length of the messages. (See 6/26/06 Office Action, ¶ 80). However, the Applicants respectfully disagree. The events indicate that some activity has occurred, but provide no indication of when activity ceases. This is because the events are triggers that lack duration and cannot be used to refer to any particular portion of the transaction. For example, in Fig. 3 of the Sleeper reference, an event is recorded in step 302. However, the transaction may progress to step 304 or remain in step 302 while a message associated with the recorded event is prepared and displayed. This example illustrates that it is not possible to use the events of the Sleeper reference to refer to divisions of a

transaction. Thus, it is respectfully submitted that the Sleeper reference neither discloses nor suggests “dividing a consumer transaction at a POS location into multiple time frames, a total duration of the time frames equaling a total duration of the transaction,” as recited in claim 1.

In addition, the Sleeper reference makes no mention of adjusting a duration of an ad. According to the Sleeper reference, a PRS messenger packages events as messages in a queue. (See the Sleeper reference, col. 8, lines 56-59). The Examiner states that the Sleeper reference purportedly discloses changing ads based on time frames. However, as stated above, the events are not analogous to the frames. If the events were analogous, it would mean that messages would change when an event ended. Although it is not possible to ascribe a duration to an event (which is actually only an instantaneous moment in time), events can be said to have duration in relation to each other, in that it may be possible for an event to be ended by the occurrence of a second event. That is, the second event can preempt the first event. However, the Sleeper reference provides no indication or suggestion that it is possible or even desirable to have event preemption. In fact, the Sleeper reference explicitly teaches against this with the message queue. Each message is translated into an HTML or dHTML file that is accessed by a PRS browser and displayed on the auxiliary display device. (Id. at col. 9, lines 4-18). The messages are always displayed and do not end when a new event is received. Thus, it is respectfully submitted that the Sleeper reference neither discloses nor suggests “adjusting a duration of the ad based on whether the one of the time frames has ended,” as recited in claim 1.

Accordingly, Applicants respectfully request that the Examiner withdraw the rejection of claim 1 for the above stated reasons. Because claims 2-13 and 29-59 depend from, and therefore include all of the limitations of claim 1, it is respectfully submitted that these claims are allowable for the reasons stated above.

Independent claim 60 recites limitations substantially similar to those of claim 1, including “dividing a consumer transaction at a POS location into multiple time frames, a total duration of the time frames equaling a total duration of the transaction” and “adjusting a duration

of the first and second ads based on whether the first and second time frames have ended.” Therefore, it is respectfully submitted that claim 60 is allowable for the reasons stated above with reference to claim 1, and that the rejection of this claim should be withdrawn. Because claims 61, 63 and 64 depend from, and therefore include all of the limitations of claim 60, it is respectfully submitted that these claims are also allowable.

Independent claim 68 also recites limitations substantially similar to claim 1, including “dividing a consumer transaction at a POS location into multiple time frames, a total duration of the time frames equaling a total duration of the transaction” and “adjusting a duration of the ad based on whether the one of the time frames has ended.” Therefore, it is respectfully submitted that claim 68 is allowable for the reasons stated above with reference to claim 1, and that the rejection of this claim should be withdrawn. Because claims 69 and 70 depend from, and therefore include all of the limitations of claim 68, it is respectfully submitted that these claims are also allowable.

The Examiner has rejected claims 14-15 and 26-28 under 35 U.S.C. § 103(a) as unpatentable over the Sleeper reference in view of U.S. Patent 6,456,981 to Dejaeger et al. (The Dejaeger reference”). (See 6/26/06 Office Action, ¶ 60).

The Dejaeger reference describes an apparatus for displaying a customized advertising message. (See the Dejaeger reference, Abstract). A self-service checkout terminal displays the message and generates an output signal when the entire message has been displayed. The message is displaying in its entirety. (*Id.* at col. 14, line 60 - col. 15, line 3). Thus, it is respectfully submitted that the Dejaeger reference fails to cure the deficiencies of the Sleeper reference and neither the Dejaeger reference nor the Sleeper reference, either alone or in combination, discloses or suggests “dividing a consumer transaction at a POS location into multiple time frames, a total duration of the time frames equaling a total duration of the transaction” and “adjusting a duration of the ad based on whether the one of the time frames has ended,” as recited in claim 1.

Based on the reasons discussed above, it is respectfully submitted that claims 14-15 and 26-28, which depend from, and, therefore include the limitations of claim 1, are allowable.

Claim 67 was rejected under 35 U.S.C. § 103(a) as unpatentable over the Sleeper reference in view of the Dejaeger reference and further in view of U.S. Patent 6,615,183 to Kolls. ("the Kolls reference"). (See 6/26/06 Office Action, ¶ 68).

Independent claim 67 recites a method including the steps of "dividing a transaction into time frames, a total duration of the time frames equaling a total duration of the transaction" and "if the ad is displayed in the one time frame, adjusting a duration of the ad based on whether the one time frame has ended."

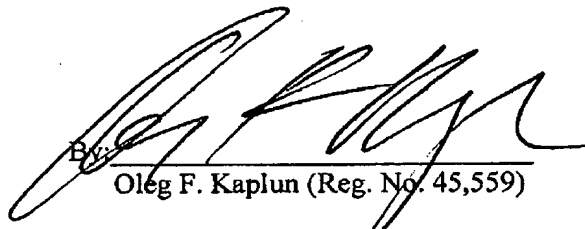
The Kolls reference discloses a universal advertising and payment system. (See the Kolls reference, Abstract). Advertisements are distributed to systems or vending machines throughout a network, and each machine determines if a received advertisement can be displayed at the current time. (Id. at col. 23, lines 8-16). Under the system described by the Kolls reference, any advertisement received at a machine will be displayed if displaying is possible at the time the advertisement is received. Thus, it is respectfully submitted that the Kolls reference fails to cure the deficiencies of the Sleeper reference and neither the Sleeper reference, nor the Dejaeger reference nor the Kolls reference, either alone or in combination, discloses or suggests "dividing a consumer transaction at a POS location into multiple time frames, a total duration of the time frames equaling a total duration of the transaction" and "adjusting a duration of the ad based on whether the one of the time frames has ended," as recited in claim 1. Because claim 67 recites limitations substantially similar to those of claim 1, it is respectfully submitted that this claim is allowable for at least the same reasons.

III. CONCLUSION

In light of the foregoing, Applicants respectfully submit that all of the pending claims are in condition for allowance. All issues raised by the Examiner having been addressed, and an early and favorable action on the merits is earnestly solicited.

Respectfully submitted,

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